

ASSIGNMENT OF LEASES, RENTS AND PROFITS

P BK 93 PG 202

1. **DATE AND PARTIES.** The date of this Assignment of Leases, Rents and Profits ("Agreement") is the 7th day of December, 2001, and the parties are the following:

BORROWER: JACKIE E. MALONE 7160 OLD HWY 78
OLIVE BRANCH MS 38654

BANK: COMMUNITY BANK, DESOTO COUNTY
P O BOX 827
OLIVE BRANCH, MS 38654

2. **OBLIGATIONS DEFINED.** The term "Obligations" is hereby defined to include the following:

- A. A promissory note, No. 6494249 ("Note"), dated 12/07/01 and executed by JACKIE E. MALONE ("Borrower") payable to the order of COMMUNITY BANK, DESOTO COUNTY ("Bank"), which evidences a loan ("Loan") to Borrower in the principal amount of \$ 144,121.65 and all extensions, renewals, modifications or substitutions thereof;
- B. All future advances to Borrower from Bank, regardless of whether or not this Agreement is specifically referred to in the evidence of indebtedness executed by Borrower with regard to such future and additional indebtedness;
- C. All additional sums advanced and expenses incurred by bank for the purpose of insuring, preserving or otherwise protecting the Collateral and its value, and any other sums advanced and expenses incurred by Bank pursuant to this Agreement, plus interest at the rate provided for in the Note;
- D. All other obligations to the extent the taking of the Collateral as security therefore is not prohibited by law, including but not limited to liabilities for overdrafts, all advances made by Bank on Borrower's behalf as authorized by this Agreement and liabilities as guarantor, endorser or surety, of Borrower to Bank, now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; and
- E. Borrower's performance of the terms in the Note and of the terms of this Agreement, any deed of trust, any trust deed, any mortgage, any deed to secure debt, any assignment of beneficial interest, any loan agreement, any construction loan agreement, any security agreement, any guaranty agreement or any other agreement which secures, guaranties or otherwise relates to the Note or Loan.

STATE MS. - DESOTO CO.
 FILED

MAR 1 11 55 AM '02

BK. 93 PG 202
 W.E. DAVIS CH. CLK.

P BK 93 PG 203 **ASSIGNMENT OF LEASES, RENTS AND PROFITS**

3. **BACKGROUND.** The loan is secured by, but is not limited to, a deed of trust ("Deed of Trust") dated 12/07/01 on the property ("Property") situated in the COUNTY OF _____, STATE OF MISSISSIPPI, described in Exhibit "A" attached hereto.

4. **ASSIGNMENT.** To secure the Obligations and in consideration of the Loan, Borrower grants and assigns a security interest and further bargains, sells and conveys in and to Bank all of Borrower's right, title and interest in and to all rents and profits from the Property and all leases of the Property now or hereafter made, which are collectively known as the Collateral and described as follows:
 - A. All leases ("Leases") on the Property (the term "Leases" in this Agreement shall include all agreements, written or verbal, existing or hereafter arising, for the use or occupancy of any portion of the property and all extensions, renewals, and substitutions of such agreements, including subleases thereunder);
 - B. All guaranties of the performance of any party under the Leases; and
 - C. The right to collect and receive all revenue ("Rents") from the Leases now due or which may become due (the term "Rents" in this Agreement includes, but is not limited to, the following: accounts, revenues, issues, profits, rents, minimum rents, percentage rents, additional rents, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, security deposits, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance or other proceeds, and all rights and claims which Borrower may have against any person under the terms of the leases, including proceeds from any of the above).

5. **WARRANTIES.** To induce Bank to make the Loan, Borrower makes the following representations and warranties:
 - A. Borrower has good title to the Leases and Rents and good right to assign them, and no other person has any right in them;
 - B. Borrower has duly performed all of the terms of the Leases that Borrower is obligated to perform;
 - C. Borrower has not previously assigned or encumbered the Leases or the Rents and will not further assign or encumber the Leases or future Rents;
 - D. No Rents for any period subsequent to the current month have been collected, and no payment of Rents has been compromised;

ASSIGNMENT OF LEASES, RENTS AND PROFITSP BK 93 PG 203A

E. Borrower has not received any funds from any lessee ("Lessee") under the Leases in excess of one month's rent for which credit has not been made on account for accrued Rents, and if any such funds have been received a copy of said account has been delivered to Bank, and any copy of such account that has been delivered to Bank is true and complete. The term "Lessee" in this Agreement shall include all persons or entities obligated to Borrower under the Leases;

F. No Lessee is presently in default of any of the terms of the Leases, except as identified in any Non-Disturbance, Subordination and Attornment Agreements delivered to Bank concurrently with this Agreement; and

G. Borrower has not and will not waive or otherwise compromise any obligation of Lessee under any of the Leases and will enforce the performance of every obligation to be performed by the Lessees under the Leases.

6. BORROWER'S AGREEMENTS. In consideration of the Loan and to protect the security of Agreement, Borrower agrees:

A. To deliver to Bank upon execution of this Agreement copies of the Leases, certified by Borrower as being true and correct copies, which accurately represent the transactions between the parties;

B. To observe and perform all obligations of Lessor under the Leases, and to give written prompt notice to Bank of any default by Lessor or Lessee under any of the Leases;

C. To notify in writing each Lessee, if the Bank so requests, that any deposits previously delivered to Borrower are being held by Borrower or assigned and delivered to Bank as the case may be;

D. To appear in and defend any action or proceeding pertaining to the Leases, and, upon the request of Bank, to do so in the name and on behalf of Bank, but at the expense of Borrower, and to pay all costs and expenses of Bank, including reasonable attorneys' fees to the extent not prohibited by law, in any such action or proceeding in which Bank may appear;

E. To give written notice of this Agreement to each Lessee, if the Bank so requests, stating that Lessee shall make all payments of the Rents directly to Bank; and

F. To indemnify and hold Bank harmless for all liabilities, damages, costs and expenses, including reasonable attorneys' fees, that Bank may incur when Bank, at its discretion, elects to exercise any of its remedies upon default of Lessee.

ASSIGNMENT OF LEASES, RENTS AND PROFITS

P BK 93 PG 204

7. **LICENSE TO COLLECT, RECEIVE AND RETAIN RENTS.** As long as there is no Event of Default, Borrower shall have the right under a license granted hereby to collect, receive and retain Rents (but not prior to accrual thereof). This license, at the option of Bank shall terminate upon occurrence of any Event of Default, and the Bank shall have such further remedies as are set forth in paragraph 9 below.
8. **EVENTS OF DEFAULT.** Borrower shall be in default upon the occurrence of any of the following events, circumstances or conditions ("Events of Default"). The Events of Default are:
- A. Failure by any person obligated on the Obligations to make payment when due thereunder; or
 - B. A default or breach under any of the terms of this Agreement, the Note, any loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing or otherwise relating to the Obligations; or
 - C. The making or furnishing of any verbal, or written, representation, statement or warranty to Bank which is or becomes, false or incorrect in any material respect by, or on behalf of, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
 - D. The death, dissolution or insolvency of, the appointment of a receiver by or on the behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
 - E. A good faith belief by Bank at any time that Bank is insecure, that the prospect of any payment is impaired or that the collateral is impaired; or
 - F. Failure to pay and provide proof of payment of any tax, assessment, rent, insurance premium or escrow on or before its due date; or
 - G. A transfer of a substantial part of Borrower's money or property.
9. **REMEDIES ON DEFAULT.** At the option of Bank, all or any part of the principal of, and accrued interest on, the Obligations shall become immediately due and payable without notice or demand, upon the occurrence of any Event of Default or at any time thereafter. In addition, upon the occurrence of an Event of Default or at any time thereafter by Borrower under the Deed of Trust, Bank, at Bank's option, shall have the right to exercise any or all of the following remedies:

ASSIGNMENT OF LEASES, RENTS AND PROFITS

P BK 93 PG 205

- A. To terminate the license granted in paragraph 7, and to collect directly and retain the Rents in Bank's name without taking possession of the Property and to demand, collect, receive, and sue for the Rents, giving proper receipts and releases, and, after deducting all reasonable costs of collection; including reasonable attorneys' fees to the extent not prohibited by law, apply the balance to the Note, first to accrued interest and then to principal;
- B. To declare the Obligations immediately due and payable, and, at Bank's option, exercise any of the remedies provided by law, the Note, any deed of trust or this agreement; and
- C. To enter upon, take possession of, manage and operate all or any part of the Property, make, modify, enforce or cancel any leases, evict any Lessee, increase or reduce the Rents, decorate, clean and make repairs, and do any act or incur any cost Bank shall deem proper to protect the Property as fully as Borrower could do, and to apply any funds collected from the operation of the Property in such order as Bank may deem proper, including, but not limited to, payment of the attorneys', and accountants' fees; the Obligations; or reserves for repair or replacement. Bank may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, trustee under a deed of trust, or by receiver to be appointed by a court, and irrespective to Borrower's possession.

The collection and application of the rents or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any default, or modify or waive any notice of default under the Note, Deed of Trust or this Agreement, or invalidate any act done pursuant to such notice.

The enforcement of such remedy by Bank, once exercised, shall continue for so long as Bank shall elect, notwithstanding that such collection and application of the Rents may have cured the original default. If Bank shall thereafter elect to discontinue the exercise of any such remedy, the same or any other remedy under the law, the Note, any deed of trust or this Agreement may be asserted at any time and from time to time following any subsequent default. The word "default" has the same meaning as continued within the Note or any other instrument evidencing the Obligations, and the Deed of Trust, or any other document securing, guarantying or otherwise relating to the Obligations.

In addition, upon the occurrence of any Event of Default, Bank shall be entitled to all of the remedies proved by law, the Note and any related loan documents. All rights and remedies are cumulative and not exclusive, and Bank is entitled to all remedies provided at law or equity, whether or not expressly set forth.

10. **TERM.** This Agreement shall remain in effect as long as any part of the Obligations remain unpaid. Upon payment in full all of such indebtedness, Bank shall execute a release of this Agreement upon request.

11. **GENERAL PROVISIONS:**

A. **TIME IS OF THE ESSENCE.** Time is of the essence in Borrower's performance of all duties and obligations imposed by this Agreement.

B. **NO WAIVER BY BANK.** Bank's course of dealing, or Bank's forbearance from, or delay in, the exercise of any of Bank's rights, remedies, privileges or right to insist upon Borrower's strict performance of any provisions contained in this Agreement, or other loan documents, shall not be construed as a waiver by Bank, unless any such waiver is in writing and is signed by the Bank.

C. **AMENDMENT.** The provisions contained in this Agreement may not be amended, except through a written amendment which is signed by Borrower and Bank.

D. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Mississippi, provided that such laws are not otherwise preempted by federal laws and regulations.

E. **FORUM AND VENUE.** In the event of litigation pertaining to this Agreement, the exclusive forum, venue and place of jurisdiction shall be in the State of Mississippi, unless otherwise designated in writing by the Bank.

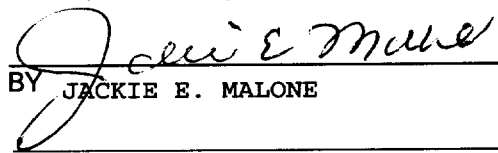
E. **SUCCESSORS.** This agreement shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties.

F. **SUCCESSORS.** This agreement shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties.

G. **NUMBER AND GENDER.** Whenever used, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

H. **PARAGRAPH HEADINGS.** The headings at the beginning of each paragraph, and each subparagraph, in this Agreement are for convenience only and shall not be dispositive in interpreting or construing this Agreement or any part thereof.

I. **IF HELD UNENFORCEABLE.** If any provision of this Agreement shall be held unenforceable or void, then such provision shall be deemed severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Agreement.


BY JACKIE E. MALONE
BY

INDIVIDUAL ACKNOWLEDGMENT

P BK 93 PG 207

STATE OF MISSISSIPPI

COUNTY OF Desoto

Personally appeared before me, the undersigned authority in and for the said county and state on this
7th day of December, 2001 within my jurisdiction, the within named
JACKIE E. MALONE who
acknowledged that HE/SHE (he/she/they) executed the above and foregoing instrument.

My Commission Expires: 7-19-03[Signature]
Notary Public

PREPARED BY: COMMUNITY BANK, DESOTO COUNTY
P.O. BOX 129
SOUTHAVEN, MS 38671
662-280-9700

CORPORATE PARTNERSHIP ACKNOWLEDGMENT

6494249

P BK 93 PG 208

STATE OF MISSISSIPPI
COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the said county and state on this _____ day of _____ within my jurisdiction, the within named _____ and _____ who acknowledged that _____ (he/she/they) is/are _____ of _____ a _____ (corporation/partnership/unincorporated association), and that for and on behalf of the said organization, and as its act and deed _____ (he/she/they) executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

My Commission Expires: _____

(Seal)

Notary Public



P.O. Box 129
Southaven, MS 38671